

EXHIBIT E

REDACTED

UNITED STATES DISTRICT COURT

FOR THE

EASTERN DISTRICT OF VIRGINIA

-----X
United States et al.,

Plaintiff,

v.

GOOGLE LLC,

Defendant.

-----X
Civil Action No. 1:23-CV-00108

HIGHLY CONFIDENTIAL

VIDEOTAPED DEPOSITION

OF

JOHN DEDERICK

FRIDAY, JULY 28, 2023

Reported by:
CANDIDA BORRIELLO
JOB NO. 6418591-001-001

<p style="text-align: right;">Page 6</p> <p>1</p> <p>2 THE VIDEOGRAPHER: We are now on</p> <p>3 the record. The time is 9:37 a.m. ET</p> <p>4 on Friday, July 28, 2023.</p> <p>5 Audio and video recording will</p> <p>6 continue to take place unless all</p> <p>7 parties agree to go off the record.</p> <p>8 This is the video recorded</p> <p>9 proceeding of John Dederick being</p> <p>10 taken by counsel here in the matter of</p> <p>11 United States, et al., versus Google,</p> <p>12 LLC.</p> <p>13 My name is Joe Raguso, I am the</p> <p>14 videographer on behalf of US Legal</p> <p>15 Support located at 16825 Northchase</p> <p>16 Drive, Houston, Texas. I am not</p> <p>17 related to any party in this action,</p> <p>18 nor am I financially interested in the</p> <p>19 outcome.</p> <p>20 The court reporter is Candida</p> <p>21 Borriello on behalf of US Legal</p> <p>22 Support.</p> <p>23 Appearances have been noted on the</p> <p>24 stenographic record and the court</p> <p>25 reporter will now swear in the</p>	<p style="text-align: right;">Page 8</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. Thank you.</p> <p>3 What is your current position at</p> <p>4 The Trade Desk?</p> <p>5 A. Chief client officer and EVP.</p> <p>6 Q. When did you start at The Trade</p> <p>7 Desk?</p> <p>8 A. February of 2012.</p> <p>9 Q. Have you been there continuously</p> <p>10 since 2012?</p> <p>11 A. Yes.</p> <p>12 Q. Are you prepared to testify today</p> <p>13 as The Trade Desk's corporate representative</p> <p>14 on certain topics that have been specified in</p> <p>15 the deposition, notice and subpoena?</p> <p>16 A. Yes.</p> <p>17 Q. I'm now going to show you what</p> <p>18 we're gonna mark as Dederick deposition</p> <p>19 exhibit -- oh, Trade Desk Deposition</p> <p>20 Exhibit 1.</p> <p>21 (TTD Exhibit 1, The Trade Desk's</p> <p>22 Annual Filings with the Securities and</p> <p>23 Exchange Commission, was marked for</p> <p>24 identification.)</p> <p>25 BY MS. RHEE:</p>
<p style="text-align: right;">Page 7</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 witness.</p> <p>3 J O H N D E D E R I C K,</p> <p>4 called as a witness, having been</p> <p>5 duly sworn by a Notary Public,</p> <p>6 was examined and testified as</p> <p>7 follows:</p> <p>8 EXAMINATION BY</p> <p>9 MS. RHEE:</p> <p>10 Q. Good morning, Mr. Dederick.</p> <p>11 A. Good morning.</p> <p>12 Q. I'm gonna need you to speak into</p> <p>13 the microphone so that the court reporter can</p> <p>14 hear you, okay?</p> <p>15 A. Got it, yep.</p> <p>16 MS. PREWITT: You need to pull</p> <p>17 it --</p> <p>18 Do you need him to pull it forward</p> <p>19 a little bit?</p> <p>20 THE WITNESS: I can pull it up a</p> <p>21 little if that's helpful.</p> <p>22 Q. Thank you very much.</p> <p>23 A. Sure.</p> <p>24 Q. Where do you live?</p> <p>25 A. Brooklyn, New York.</p>	<p style="text-align: right;">Page 9</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. Are you familiar with The Trade</p> <p>3 Desk Annual Filings with the Securities and</p> <p>4 Exchange Commission?</p> <p>5 A. I'm just gonna take a minute to</p> <p>6 review this document, take a look at what's</p> <p>7 in here.</p> <p>8 Q. Well, as the designated corporate</p> <p>9 representative, are you familiar with The</p> <p>10 Trade Desk's annual 10-K reporting</p> <p>11 obligations?</p> <p>12 A. Yes, I am familiar with that.</p> <p>13 Q. And do you have in front of you the</p> <p>14 Annual 10-K Report that was filed by The</p> <p>15 Trade Desk?</p> <p>16 MS. PREWITT: Objection. If you</p> <p>17 could just let him have a moment to</p> <p>18 look at the document then I think he</p> <p>19 can respond to your questions more</p> <p>20 fully.</p> <p>21 MR. VERNON: We seemed to skim</p> <p>22 appearances, so while he's reviewing</p> <p>23 it, I'll just do that quickly myself.</p> <p>24 My name is Jeff Vernon, appearing</p> <p>25 on behalf of the United States. With</p>

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<p style="text-align: right;">Page 10</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 me is Amanda Strick.</p> <p>3 MS. PREWITT: I'll just note my</p> <p>4 appearance as well. Elizabeth</p> <p>5 Prewitt, from Latham & Watkins, on</p> <p>6 behalf The Trade Desk. Also with us</p> <p>7 is Adam Chiu and Becky McMahon. As</p> <p>8 well as counsel for The Trade Desk</p> <p>9 Julie Kleeman.</p> <p>10 MS. RHEE: I believe the court</p> <p>11 reporter has the appearances for the</p> <p>12 record for Google.</p> <p>13 BY MS. RHEE:</p> <p>14 Q. Mr. Dederick, I'm now going to</p> <p>15 actually direct your attention to the</p> <p>16 relevant passage of The Trade Desk's annual</p> <p>17 10-K, okay?</p> <p>18 A. Okay.</p> <p>19 Q. Now, you understand that this</p> <p>20 filing by The Trade Desk's submitted yearly</p> <p>21 to the US Securities and Exchange Commission</p> <p>22 is a signed statement by the company's chief</p> <p>23 financial officer pursuant to the</p> <p>24 requirements of the Securities and Exchange</p> <p>25 Act, correct?</p>	<p style="text-align: right;">Page 12</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 MR. VERNON: Yes.</p> <p>3 THE VIDEOGRAPHER: We are going</p> <p>4 off the record. The time is 9:43 a.m.</p> <p>5 (Whereupon, a brief recess was</p> <p>6 taken.)</p> <p>7 THE VIDEOGRAPHER: We are back on</p> <p>8 the record. The time is 9:48 a.m.</p> <p>9 BY MS. RHEE:</p> <p>10 Q. Mr. Prewitt [sic], as The Trade</p> <p>11 Desk corporate representative, you stand by</p> <p>12 the company's annual 10-K report's, correct?</p> <p>13 MS. PREWITT: Counselor --</p> <p>14 MR. VERNON: Objection. Vague.</p> <p>15 A. I'm sorry, you're referring to me?</p> <p>16 Q. Yes.</p> <p>17 MS. PREWITT: Counsel, for the</p> <p>18 record, you called him Ms. Prewitt, I</p> <p>19 think that was the hesitation there.</p> <p>20 A. Yeah.</p> <p>21 Will you repeat the question,</p> <p>22 please?</p> <p>23 Q. I'm sorry.</p> <p>24 Mr. Dederick, as the company's</p> <p>25 corporate representative, you stand by the</p>
<p style="text-align: right;">Page 11</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. I am familiar that this document is</p> <p>3 intended to notify and advise shareholders</p> <p>4 and prospective shareholders, yes.</p> <p>5 Q. And what happens to companies that</p> <p>6 make misstatements in these annual 10-K</p> <p>7 reports?</p> <p>8 MS. PREWITT: Objection. Outside</p> <p>9 the scope of the notice topics, as</p> <p>10 well there's no foundation --</p> <p>11 Q. You're to answer the question.</p> <p>12 MS. PREWITT: Let me finish my</p> <p>13 objection, I was continuing with an</p> <p>14 objection, which is, first it's</p> <p>15 outside the scope. Second of all, you</p> <p>16 don't have a factual basis and no</p> <p>17 foundation to assume that this witness</p> <p>18 would be knowledgeable on this topic.</p> <p>19 He's a representative of The Trade</p> <p>20 Desk on noticed topics that you</p> <p>21 outlined in your notice.</p> <p>22 MS. RHEE: Let's go off the</p> <p>23 record.</p> <p>24 THE VIDEOGRAPHER: All parties</p> <p>25 agree to go off the record?</p>	<p style="text-align: right;">Page 13</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 company's annual 10-K report, correct?</p> <p>3 MR. VERNON: Same objection.</p> <p>4 A. Yes.</p> <p>5 Q. So, let's actually turn to page 5</p> <p>6 and to make this go easier, I've highlighted</p> <p>7 the relevant passage that I want to direct</p> <p>8 your attention to, okay?</p> <p>9 So, on the top of the page under</p> <p>10 the heading Overview, you see where it says:</p> <p>11 The Trade Desk offers a</p> <p>12 self-service cloud-based ad buying platform</p> <p>13 that empowers our clients to plan, manage,</p> <p>14 optimize and measure more expressive data</p> <p>15 driven digital advertising campaigns.</p> <p>16 Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. Is that an accurate description of</p> <p>19 The Trade Desk's business?</p> <p>20 A. Yes, The Trade Desk is a DSP and</p> <p>21 that's an accurate description of a DSP.</p> <p>22 Q. Now, the next sentence says:</p> <p>23 Our platform allows clients to</p> <p>24 execute integrated campaigns across ad</p> <p>25 formats and channels, including video, which</p>

<p style="text-align: right;">Page 14</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 includes Connected TV, CTV, Display, audio,</p> <p>3 digital out of home, native and social on a</p> <p>4 multitude of devices, such as computers,</p> <p>5 mobile devices, televisions and streaming</p> <p>6 devices.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. Is that an accurate description of</p> <p>10 The Trade Desk's business?</p> <p>11 A. Yes. And I would add that when we</p> <p>12 refer to clients, we refer to media buyers</p> <p>13 who are leveraging a DSP.</p> <p>14 Q. So, continuing on, the next</p> <p>15 paragraph actually talks about The Trade</p> <p>16 Desk's clients.</p> <p>17 Do you see that?</p> <p>18 A. Uh-huh.</p> <p>19 Q. It says:</p> <p>20 Our clients are advertising</p> <p>21 agencies, brands and other service providers</p> <p>22 for advertisers with whom we entered into</p> <p>23 ongoing master services agreements.</p> <p>24 Do you see that?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 16</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. When did The Trade Desk go public?</p> <p>3 A. If memory serves, The Trade Desk</p> <p>4 went public in 2016.</p> <p>5 Q. Now, I want to direct your</p> <p>6 attention to page 3 of this 2022 annual</p> <p>7 report.</p> <p>8 Now, under the Summary of Risk</p> <p>9 Factors, do you see in the fourth bulleted</p> <p>10 item the following:</p> <p>11 The market in which we participate</p> <p>12 is intensely competitive and we may not be</p> <p>13 able to compete successfully with our current</p> <p>14 and future competitors.</p> <p>15 Do you see that?</p> <p>16 A. I don't believe that's the fourth</p> <p>17 bullet, for clarity.</p> <p>18 Q. I'm sorry, the fourth bullet from</p> <p>19 the bottom.</p> <p>20 A. Okay.</p> <p>21 Q. Do you see that?</p> <p>22 A. I see that sentence.</p> <p>23 Q. Do you stand by that statement in</p> <p>24 The Trade Desk's annual report as the</p> <p>25 company's corporate representative?</p>
<p style="text-align: right;">Page 15</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. Is that an accurate description of</p> <p>3 The Trade Desk's clients?</p> <p>4 A. Yes, and all of those are buyers.</p> <p>5 And for clarity, the brands really means</p> <p>6 advertisers in that context.</p> <p>7 Q. Now, the next two sentences go on</p> <p>8 to state:</p> <p>9 We generate revenue by charging our</p> <p>10 clients a platform fee based on a percentage</p> <p>11 of a client's total spend on advertising. We</p> <p>12 also generate revenue from providing data and</p> <p>13 other value added services and platforms</p> <p>14 features.</p> <p>15 Is that an accurate description of</p> <p>16 the way in which The Trade Desk generates</p> <p>17 revenue?</p> <p>18 A. Yes, The Trade Desk generates</p> <p>19 revenue based on the media buying activity of</p> <p>20 those clients on our platform and that's an</p> <p>21 accurate representation of how.</p> <p>22 Q. Now, when was The Trade Desk</p> <p>23 established?</p> <p>24 A. The Trade Desk was established in</p> <p>25 2009.</p>	<p style="text-align: right;">Page 17</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 MR. VERNON: Objection. Vague.</p> <p>3 A. I think it's important to note the</p> <p>4 context of risk factors offered in a document</p> <p>5 like this, the context will be to provide</p> <p>6 prospective shareholders and our shareholders</p> <p>7 a summary of our business to help insulate</p> <p>8 from lawsuits or SEC violations. And so, the</p> <p>9 idea that we as a DSP compete with DSPs like</p> <p>10 DV360 and that is a very intense competition</p> <p>11 is accurate.</p> <p>12 I would also note under these risk</p> <p>13 factors --</p> <p>14 Q. I'm sorry.</p> <p>15 A. I would note that there's a</p> <p>16 section --</p> <p>17 Q. Hold on a second.</p> <p>18 MR. VERNON: I think you have to</p> <p>19 let him -- objection. Please let him</p> <p>20 finish his answer.</p> <p>21 Q. Let me -- let me ask you the next</p> <p>22 question, okay? You've answered my question.</p> <p>23 MR. VERNON: Please let him finish</p> <p>24 his --</p> <p>25 A. So, I would also note that there's</p>

<p style="text-align: right;">Page 22</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 I would add I don't know that --</p> <p>3 Q. There's no pending question. Thank</p> <p>4 you.</p> <p>5 A. I don't know that the reason to</p> <p>6 have --</p> <p>7 Q. Mr. Dederick --</p> <p>8 A. There's an equivalency you're</p> <p>9 assuming in the word "market" --</p> <p>10 (Cross-talk.)</p> <p>11 Q. There's no pending question, so let</p> <p>12 me keep going.</p> <p>13 MS. PREWITT: Counsel, I just</p> <p>14 don't --</p> <p>15 MS. RHEE: There are no -- there</p> <p>16 are no speaking objections either, so</p> <p>17 let's just keep going.</p> <p>18 MS. PREWITT: I don't think it's</p> <p>19 necessary to try to prevent the</p> <p>20 witness from speaking.</p> <p>21 MS. RHEE: DOJ can take its time.</p> <p>22 MS. PREWITT: Okay, so let's just</p> <p>23 keep going.</p> <p>24 MR. VERNON: I also object to</p> <p>25 cutting the witness off.</p>	<p style="text-align: right;">Page 24</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 MS. PREWITT: Okay. Thank you.</p> <p>3 Sorry.</p> <p>4 Q. It goes on to say:</p> <p>5 We compete with other demand side</p> <p>6 platform providers, some of which are</p> <p>7 smaller, privately held companies and others</p> <p>8 are divisions of large well-established</p> <p>9 companies such as Google and Adobe.</p> <p>10 Do you see that?</p> <p>11 A. I do see that sentence.</p> <p>12 Q. We believe that we compete</p> <p>13 primarily based on our performance,</p> <p>14 capabilities and transparency of our platform</p> <p>15 as well as our focus on the buy-side.</p> <p>16 Do you see that?</p> <p>17 A. I see that sentence.</p> <p>18 Q. As The Trade Desk's corporate</p> <p>19 representative, do you stand by that</p> <p>20 statement about your competition?</p> <p>21 A. I would offer further context. Our</p> <p>22 largest around most intense competition has</p> <p>23 been and continues to be with Google's demand</p> <p>24 side platform and we do compete, our clients</p> <p>25 appreciate our transparency and the trust</p>
<p style="text-align: right;">Page 23</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 MS. RHEE: Let's just keep going.</p> <p>3 BY MS. RHEE:</p> <p>4 Q. Let's direct your attention now to</p> <p>5 page 11.</p> <p>6 Mr. Dederick, do you see in The</p> <p>7 Trade Desk's annual report a section called</p> <p>8 Our Competition?</p> <p>9 A. Yes.</p> <p>10 Q. Now, you see the choice of word</p> <p>11 similarly selected by The Trade Desk here,</p> <p>12 Our INDUSTRY?</p> <p>13 A. I see that word.</p> <p>14 Q. Okay. So, I'm gonna read it. The</p> <p>15 10-K says:</p> <p>16 Under our competition:</p> <p>17 Our industry is highly competitive</p> <p>18 and fragmented.</p> <p>19 Do you see that?</p> <p>20 A. I do see that sentence.</p> <p>21 MS. PREWITT: Apologies,</p> <p>22 Counselor. I just -- my fault, I just</p> <p>23 actually missed where we were. I'm</p> <p>24 sorry, what page?</p> <p>25 MS. RHEE: Page 11.</p>	<p style="text-align: right;">Page 25</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 that we're able to establish by being a</p> <p>3 buy-side only platform. Most of our</p> <p>4 competition, in terms of the DSP category, is</p> <p>5 coming from DV360.</p> <p>6 Q. That was not the question. So, let</p> <p>7 me try this again.</p> <p>8 Mr. Dederick, as The Trade Desk's</p> <p>9 corporate representative, do you stand by the</p> <p>10 statement just read about your competition?</p> <p>11 A. I stand by our 10-K.</p> <p>12 Q. So, do you stand by the 10-K</p> <p>13 statement that your industry is highly</p> <p>14 competitive and fragmented?</p> <p>15 A. Yes. And the important context is</p> <p>16 the industry is the advertising industry.</p> <p>17 There's a broad advertising industry in which</p> <p>18 we compete with one small part, which is</p> <p>19 demand side platforms. It's not -- it's a</p> <p>20 false equivalency, it's a claim that because</p> <p>21 the first sentence says our industry means</p> <p>22 that the demand side platforms are in some</p> <p>23 way the equivalent of the word industry. Our</p> <p>24 industry refers to the advertising industry,</p> <p>25 which is highly competitive.</p>

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<p style="text-align: right;">Page 26</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. Okay. Well, so then let's go to</p> <p>3 the next sentence.</p> <p>4 Do you stand by the 10-K statement</p> <p>5 that The Trade Desk competes with other</p> <p>6 demand side platform providers, some of which</p> <p>7 are smaller privately held companies and</p> <p>8 others are divisions of large</p> <p>9 well-established companies such as Google and</p> <p>10 Adobe.</p> <p>11 Do you stand by that statement?</p> <p>12 A. Well, Adobe has since -- I think</p> <p>13 after this document was created, has</p> <p>14 essentially sunsetted their DSP business, so</p> <p>15 they are no longer a significant competitor</p> <p>16 in this category for the Trade Desk.</p> <p>17 I do stand by the sentence that we</p> <p>18 compete with other DSPs and I offered</p> <p>19 additional context that DV360 is the</p> <p>20 principal competitor.</p> <p>21 Q. Well, since this statement, do you</p> <p>22 also compete with Xandr?</p> <p>23 A. Xandr, since this statement, was</p> <p>24 acquired by Microsoft.</p> <p>25 Q. So, do you compete with Xandr?</p>	<p style="text-align: right;">Page 28</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 whereby obviously there's an overall amount</p> <p>3 of ad spend, right? There is a total TAM of</p> <p>4 advertising. There are many different kinds</p> <p>5 of companies who are attempting to</p> <p>6 participate in the overall pie of</p> <p>7 advertising. Criteo is one kind of company.</p> <p>8 The Trade Desk and DV360 are a different kind</p> <p>9 of company.</p> <p>10 To the extent that all parties are</p> <p>11 attempting to capture share, sure, we compete</p> <p>12 with Criteo.</p> <p>13 Q. Do you compete with Oath?</p> <p>14 A. Oath, there is no company called</p> <p>15 Oath at this point.</p> <p>16 Q. Do you compete with Adform?</p> <p>17 A. We do compete with Adform in the</p> <p>18 DSP category. The competition is not</p> <p>19 significant.</p> <p>20 Q. So, when you made this statement in</p> <p>21 your 10-K, who other than Google did you</p> <p>22 reference or mean to reference when you said,</p> <p>23 some of which are smaller, privately held</p> <p>24 companies and others are divisions of well</p> <p>25 larger established companies?</p>
<p style="text-align: right;">Page 27</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. Very minimally.</p> <p>3 Q. So, do you compete with Xandr?</p> <p>4 A. Yes, with the further context that</p> <p>5 the competition is minimal.</p> <p>6 Q. Do you compete with Criteo?</p> <p>7 A. I do not believe Criteo would</p> <p>8 consider themselves a DSP.</p> <p>9 Q. Do you compete with Criteo?</p> <p>10 A. Not in the DSP category.</p> <p>11 Q. Do you compete with Criteo?</p> <p>12 A. Not in the DSP category.</p> <p>13 Q. That's not my question.</p> <p>14 A. I've already stated my answer.</p> <p>15 MS. PREWITT: Objection,</p> <p>16 Counselor. Asked and answered.</p> <p>17 Actually --</p> <p>18 MR. VERNON: Objection. Leading.</p> <p>19 Q. Let me ask the question again.</p> <p>20 Do you compete with Criteo?</p> <p>21 A. We do not compete with Criteo in</p> <p>22 the DSP category.</p> <p>23 Q. But that's not my question.</p> <p>24 A. You would need to understand the</p> <p>25 broader context of the advertising ecosystem</p>	<p style="text-align: right;">Page 29</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 MS. PREWITT: Objection.</p> <p>3 A. This sentence outlines who all of</p> <p>4 our competitors might be. There are smaller</p> <p>5 and have been smaller DSPs, Adform is one.</p> <p>6 And I wouldn't claim to know who all of the</p> <p>7 small entrants category are.</p> <p>8 Q. What about Yahoo?</p> <p>9 A. Yahoo does participate in the DSP</p> <p>10 category. And again, the competition is</p> <p>11 not -- not significant.</p> <p>12 Q. To what extent does The Trade Desk</p> <p>13 compete with advertising agencies?</p> <p>14 A. The Trade Desk --</p> <p>15 MS. PREWITT: Objection.</p> <p>16 A. The Trade Desk does not compete</p> <p>17 with advertising agencies.</p> <p>18 MR. VERNON: Could we go off the</p> <p>19 record for one second?</p> <p>20 MS. RHEE: Yes.</p> <p>21 THE VIDEOGRAPHER: Off the record.</p> <p>22 The time is 10:08 a.m.</p> <p>23 (Whereupon, a brief recess was</p> <p>24 taken.)</p> <p>25 THE VIDEOGRAPHER: We are back on</p>

<p style="text-align: right;">Page 74</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 representative here today, is it your</p> <p>3 understanding that those documents are</p> <p>4 contracts?</p> <p>5 A. I believe that they are contracts.</p> <p>6 Q. So, I'm now going to turn to tab or</p> <p>7 what it is the number now, The Trade Desk</p> <p>8 Exhibit 7?</p> <p>9 (TTD Exhibit 7, OpenPath Publisher</p> <p>10 Terms and Conditions, Bates</p> <p>11 TTD_DOJ-GOOG23-0001039 through</p> <p>12 TTD_DOJ-GOOG23-0001052, was marked for</p> <p>13 identification.)</p> <p>14 BY MS. RHEE:</p> <p>15 Q. Mr. Dederick, do you see in front</p> <p>16 of you a document that was produced as part</p> <p>17 of this litigation Bates stamp ending in 039?</p> <p>18 A. I do see that.</p> <p>19 Q. Okay. And it's the OpenPath</p> <p>20 Publisher Terms and Conditions?</p> <p>21 A. I see those words. And I'm really</p> <p>22 not familiar with this document, so I would</p> <p>23 really want to look at this, as I said,</p> <p>24 'cause I really -- if you give me one of the</p> <p>25 contracts we do with advertisers, I'll know</p>	<p style="text-align: right;">Page 76</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. So, Mr. Dederick, if you</p> <p>3 actually --</p> <p>4 MS. PREWITT: Objection.</p> <p>5 MR. VERNON: You were gonna give</p> <p>6 him two minutes.</p> <p>7 MS. PREWITT: Just two minutes. I</p> <p>8 mean maybe --</p> <p>9 Q. While you're looking, I actually</p> <p>10 just want to focus in particular on the page</p> <p>11 that is titled, OpenPath Publisher Inventory</p> <p>12 Supply Agreement.</p> <p>13 A. And what page is that?</p> <p>14 Q. If you look on the second page.</p> <p>15 A. Okay.</p> <p>16 Q. Okay. So, take a look, okay.</p> <p>17 A. Okay.</p> <p>18 (Document review.)</p> <p>19 MS. PREWITT: Is there a</p> <p>20 particular part of that he should be</p> <p>21 focusing on first?</p> <p>22 THE WITNESS: That page.</p> <p>23 MS. PREWITT: Other than that,</p> <p>24 like, within this. A lot of legalese,</p> <p>25 so...</p>
<p style="text-align: right;">Page 75</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 it cold, I won't know this document well.</p> <p>3 Q. Okay. Why don't we go off the</p> <p>4 record and you can take the time to look at</p> <p>5 this, okay?</p> <p>6 MR. VERNON: I object to that. I</p> <p>7 think if you want him to look at it,</p> <p>8 that's part of your time.</p> <p>9 MS. RHEE: This was noticed as a</p> <p>10 topic, so let's -- let's just go off</p> <p>11 the record.</p> <p>12 MR. VERNON: Object.</p> <p>13 MS. PREWITT: Look, I just, you</p> <p>14 know, 22 notice topics.</p> <p>15 THE WITNESS: Why don't we give me</p> <p>16 two minutes as if it were a different</p> <p>17 one and I'll give it a scan, okay?</p> <p>18 MS. RHEE: Okay, that's fine.</p> <p>19 Okay, terrific.</p> <p>20 THE WITNESS: So, two minutes.</p> <p>21 Thank you so much.</p> <p>22 MR. VERNON: Also, I mean, if you</p> <p>23 have particular parts, I'm happy to</p> <p>24 have you direct him to those.</p> <p>25 BY MS. RHEE:</p>	<p style="text-align: right;">Page 77</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 BY MS. RHEE:</p> <p>3 Q. Particularly want to direct your</p> <p>4 attention to Paragraph 2.</p> <p>5 MS. PREWITT: Thank you.</p> <p>6 A. (Document review.)</p> <p>7 Okay.</p> <p>8 Q. Okay?</p> <p>9 A. Okay.</p> <p>10 Q. Now, you see under the title</p> <p>11 OpenPath Publisher Inventory Supplier</p> <p>12 Agreement a subsection of that agreement is a</p> <p>13 paragraph that is then titled OpenPath</p> <p>14 Support Cost?</p> <p>15 A. I do see that as one of the</p> <p>16 described terms.</p> <p>17 Q. Okay. Under the term that is</p> <p>18 OpenPath Support Cost it reads:</p> <p>19 Company agrees to offset TD, and TD</p> <p>20 is referenced as The Trade Desk, offset TD's</p> <p>21 cost associated with the integration pursuant</p> <p>22 to this agreement.</p> <p>23 And then there's a paren that says</p> <p>24 that is the support cost.</p> <p>25 Do you see that?</p>

<p style="text-align: right;">Page 86</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Desk and available on the company website?</p> <p>3 A. I have no reason to doubt that.</p> <p>4 MR. VERNON: Just ask that you</p> <p>5 give him a small amount of time to</p> <p>6 read the document.</p> <p>7 A. (Document review.)</p> <p>8 Q. I'm only going to focus your</p> <p>9 attention on the first three paragraphs,</p> <p>10 okay?</p> <p>11 A. Okay.</p> <p>12 Q. Now, you see in May of 2022, The</p> <p>13 Trade Desk announced more publishers have</p> <p>14 joined OpenPath their proprietary product</p> <p>15 designed to provide advertisers with direct</p> <p>16 access to premium digital advertising</p> <p>17 inventory. Publishers included BuzzFeed, the</p> <p>18 Los Angeles Times, Forbes Media, Vine and Red</p> <p>19 Ventures whose publishing brands include</p> <p>20 Healthline Media and CNET have now joined at</p> <p>21 the initiative.</p> <p>22 A. I see those words.</p> <p>23 Q. Okay. And you don't have any</p> <p>24 reason to doubt that accuracy of this</p> <p>25 announcement by The Trade Desk, do you?</p>	<p style="text-align: right;">Page 88</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. To the best of my knowledge, we</p> <p>3 have about 20 publishers signed up with</p> <p>4 OpenPath.</p> <p>5 Q. Now the next paragraph says:</p> <p>6 Since OpenPath launched in</p> <p>7 February 2022, more than 100 premium</p> <p>8 publishers globally have registered interest</p> <p>9 in the product as they look to maximize</p> <p>10 revenue from advertising impressions.</p> <p>11 Do you see that?</p> <p>12 A. Yeah, and that's where I think -- I</p> <p>13 think in this document, I think it's on the</p> <p>14 next page where we say, we can't help</p> <p>15 publishers with yield management purposes,</p> <p>16 which means we are not helping a publisher</p> <p>17 raise CPMs or segment their inventory in the</p> <p>18 interest of raising costs.</p> <p>19 And so, that's why it's, you know,</p> <p>20 there's probably a big difference between</p> <p>21 publishers who are interested and the</p> <p>22 integrations we've done. OpenPath is really</p> <p>23 applicable to publishers who have the</p> <p>24 capacity for in-house yield management</p> <p>25 because, you know, The Trade Desk is</p>
<p style="text-align: right;">Page 87</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. I don't. This is a press release,</p> <p>3 so this will be an attempt to the</p> <p>4 marketplace, to our clients, to our partners,</p> <p>5 to investors in the industry to represent the</p> <p>6 momentum and, you know, really help us sell a</p> <p>7 feature from The Trade Desk.</p> <p>8 Q. But it's important to be accurate</p> <p>9 in these kinds of announcements, right?</p> <p>10 A. These announcements are intended to</p> <p>11 help represent the momentum and work we've</p> <p>12 done for the purposes of gaining awareness</p> <p>13 and gaining favorability from partners, from</p> <p>14 clients, from investors, so that's why we</p> <p>15 would create that.</p> <p>16 Q. Well, but they're not false, are</p> <p>17 they?</p> <p>18 MS. PREWITT: Objection.</p> <p>19 A. I would have no reason to expect</p> <p>20 that The Trade Desk would be -- would be</p> <p>21 false.</p> <p>22 Q. So, when The Trade Desk issued this</p> <p>23 announcement, you don't have any reason to</p> <p>24 doubt that these publishers in fact signed up</p> <p>25 with OpenPath?</p>	<p style="text-align: right;">Page 89</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 remaining an advocate of the buyers who, you</p> <p>3 know, obviously want to buy for a lower cost.</p> <p>4 And that's why this is, as we've talked about</p> <p>5 before, a real initiative toward supply chain</p> <p>6 efficiencies for buyers.</p> <p>7 Q. Okay. The following paragraph</p> <p>8 says:</p> <p>9 Initial OpenPath publisher partners</p> <p>10 include Reuters, the Washington Post,</p> <p>11 Gannett, USA Today Network, Condé Nast,</p> <p>12 McClatchy, Advance Local, Media News Group,</p> <p>13 Tribune Publishing, Nexstar Digital and</p> <p>14 CafeMedia among others.</p> <p>15 Do you see that?</p> <p>16 A. I do see those words.</p> <p>17 Q. Okay. Do you have any reason to</p> <p>18 doubt that in fact those are OpenPath</p> <p>19 publishing partners?</p> <p>20 A. To the best of my knowledge, we</p> <p>21 have about 20 OpenPath publishers, it's -- I</p> <p>22 work on the buy-side, so I do not have a lot</p> <p>23 of familiarity with which publishers they</p> <p>24 are.</p> <p>25 Q. Okay. But you don't have any</p>

<p style="text-align: right;">Page 90</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 reason to doubt that among those 20 OpenPath</p> <p>3 publishers they include Reuters, The</p> <p>4 Washington Post, Gannett, USA Today, Condé</p> <p>5 Nast, McClatchy, Advance, Media News, Tribune</p> <p>6 Publishing, Nexstar Digital and CafeMedia,</p> <p>7 correct?</p> <p>8 A. I don't have a reason to doubt</p> <p>9 the -- I would assume those are OpenPath</p> <p>10 implementations where The Trade Desk OpenPath</p> <p>11 plugs into DDP, which would be the ad server</p> <p>12 for all those publishers.</p> <p>13 Q. Now, you just answered that you are</p> <p>14 on the buy-side at The Trade Desk; is that</p> <p>15 right?</p> <p>16 A. The Trade Desk as a whole is a</p> <p>17 buy-side, only representative.</p> <p>18 Q. Well, I just want to read back to</p> <p>19 you your answer:</p> <p>20 To the best of my knowledge, we</p> <p>21 have about 20 OpenPath publishers. I work on</p> <p>22 the buy-side, so I do not have a lot of</p> <p>23 familiarity with which publishers they are.</p> <p>24 That was your answer on the record,</p> <p>25 correct?</p>	<p style="text-align: right;">Page 92</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. We have an inventory partnerships</p> <p>3 team. And again, every demand side platform</p> <p>4 must have inventory partnerships so that they</p> <p>5 will have inventory to buy.</p> <p>6 Q. And does that same team have</p> <p>7 responsibility for OpenPath?</p> <p>8 A. OpenPath is part of our inventory</p> <p>9 partnerships.</p> <p>10 Q. Who leads that team?</p> <p>11 A. It's part of the organization of</p> <p>12 Tim Simms, our chief revenue officer.</p> <p>13 Q. And is that team responsible for</p> <p>14 the publisher Inventory Supplier Agreements?</p> <p>15 A. Within that team, there would be</p> <p>16 people who would -- who would negotiate or</p> <p>17 work with suppliers to sign those agreements.</p> <p>18 Q. With respect to the fees that are</p> <p>19 reflected in those publisher Inventory</p> <p>20 Supplier Agreements, are those fees disclosed</p> <p>21 to your advertising clients?</p> <p>22 A. We are transparent with advertising</p> <p>23 clients about support costs.</p> <p>24 Q. So, is the answer yes?</p> <p>25 A. The answer is we are transparent</p>
<p style="text-align: right;">Page 91</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. Yes. And what I mean by that is,</p> <p>3 my job is to work with buyers. We do have an</p> <p>4 inventory partnerships team whose job it is</p> <p>5 to plug into suppliers. The -- all of that</p> <p>6 work is done in the interest of being a</p> <p>7 buy-side only platform, we must have supply</p> <p>8 partnerships in order to have anything to</p> <p>9 buy.</p> <p>10 Q. When you say you have a inventory</p> <p>11 partnerships team whose job it is to plug</p> <p>12 into suppliers, that is sell-side, right?</p> <p>13 A. No. The sell-side of our industry</p> <p>14 are companies like SSPs and publisher ad</p> <p>15 servers. The buy-side of our industry are</p> <p>16 companies like demand side platforms. The</p> <p>17 Trade Desk is a demand side platform.</p> <p>18 Q. Okay. At The Trade Desk, who works</p> <p>19 on the inventory partnerships team whose job</p> <p>20 it is to plug into suppliers, in other words,</p> <p>21 publishers?</p> <p>22 A. It is not publishers. Principally</p> <p>23 it is SSPs that we plug into.</p> <p>24 Q. Whose job is it at The Trade Desk</p> <p>25 to work with inventory partnerships?</p>	<p style="text-align: right;">Page 93</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 with advertisers and buyers about support</p> <p>3 costs.</p> <p>4 Q. So, are the terms and conditions of</p> <p>5 the Inventory Supplier Agreements disclosed</p> <p>6 to your advertising clients?</p> <p>7 A. Well, the document that you shared</p> <p>8 with me earlier is a confidential document</p> <p>9 because it's a contract, so we -- we would</p> <p>10 never share one partner or client's contract</p> <p>11 with other partners or clients.</p> <p>12 Q. Have you ever personally disclosed</p> <p>13 to your advertising clients that The Trade</p> <p>14 Desk charges 4 and a half percent in support</p> <p>15 costs?</p> <p>16 A. I have -- when we rolled out</p> <p>17 OpenPath, we spoke to our clients about</p> <p>18 support costs.</p> <p>19 Q. And did you disclose that the</p> <p>20 amount that The Trade Desk was charging was</p> <p>21 4 and a half percent?</p> <p>22 A. When we rolled out OpenPath, we</p> <p>23 were open with clients about support costs.</p> <p>24 Q. So, is the answer yes, you disclose</p> <p>25 that Trade Desk?</p>

<p style="text-align: right;">Page 94</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 MS. PREWITT: Objection. He's</p> <p>3 answered that question probably four</p> <p>4 times at this rate.</p> <p>5 A. Yeah, my answer is that we were</p> <p>6 transparent with clients about support costs.</p> <p>7 Q. Did you disclose the amount?</p> <p>8 MS. PREWITT: Objection. He's</p> <p>9 answered the question about now six</p> <p>10 times.</p> <p>11 A. I wasn't a party to all these</p> <p>12 conversations, so I can't speak to individual</p> <p>13 contents. But as a best practice, we were</p> <p>14 transparent with buy-side partners about</p> <p>15 support costs.</p> <p>16 Q. When you had personal conversations</p> <p>17 with your clients, did you disclose the</p> <p>18 4 and a half percent?</p> <p>19 MS. PREWITT: Objection. He's</p> <p>20 answered these questions multiple</p> <p>21 times.</p> <p>22 MR. VERNON: He's already answered</p> <p>23 the question.</p> <p>24 THE COURT REPORTER: I'm sorry, I</p> <p>25 didn't hear you, Mr. Vernon.</p>	<p style="text-align: right;">Page 96</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 attention to a different topic and that is</p> <p>3 The Trade Desk's historic take rate. So, I</p> <p>4 want to show you a document that we're gonna</p> <p>5 actually go back to an exhibit that we</p> <p>6 already marked as The Trade Desk Exhibit 2</p> <p>7 and that is the earnings call transcript from</p> <p>8 February of 2023.</p> <p>9 MS. PREWITT: This one here,</p> <p>10 right?</p> <p>11 MS. RHEE: Yes.</p> <p>12 Q. Now, this time I want to direct</p> <p>13 your attention to the bottom of page 19. And</p> <p>14 in response to a question from one of the</p> <p>15 analysts about The Trade Desk's take rate,</p> <p>16 you see you are chief financial officer,</p> <p>17 Mr. Grayson answering:</p> <p>18 We've had really consistent take</p> <p>19 rate trends.</p> <p>20 Do you see that?</p> <p>21 A. I see those words, yes.</p> <p>22 Q. Okay. He goes on to say:</p> <p>23 If you look at our take rate data</p> <p>24 from 2014 to 2022 over that eight-year</p> <p>25 period, I think we went up four years and</p>
<p style="text-align: right;">Page 95</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. I'm the chief client officer, I'm</p> <p>3 not responsible for most of our individual</p> <p>4 client conversations were really -- that</p> <p>5 wouldn't have been my -- my role.</p> <p>6 Q. So, you personally never disclosed</p> <p>7 the 4 and a half percent?</p> <p>8 A. My role isn't to roll out new</p> <p>9 products and initiatives to our clients.</p> <p>10 Q. So, the answer is no?</p> <p>11 A. My role is not to have those</p> <p>12 conversations.</p> <p>13 Q. I want to go to a document that</p> <p>14 we're gonna mark as Trade Desk Exhibit 9.</p> <p>15 MR. VERNON: Would now be a good</p> <p>16 time for a five-minute break?</p> <p>17 MS. RHEE: Sure.</p> <p>18 THE VIDEOGRAPHER: We're off the</p> <p>19 record. The time is 11:59 a.m.</p> <p>20 (Whereupon, a brief recess was</p> <p>21 taken.)</p> <p>22 THE VIDEOGRAPHER: We're back on</p> <p>23 the record. The time is 12:18 p.m.</p> <p>24 BY MS. RHEE:</p> <p>25 Q. Okay. I want to now direct your</p>	<p style="text-align: right;">Page 97</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 then went down four years, so it's been very</p> <p>3 consistently right around that 20 percent</p> <p>4 figure, some years it goes up a little bit,</p> <p>5 some years it goes down a little bit.</p> <p>6 Do you see that?</p> <p>7 A. I see those words. I'm just</p> <p>8 reading the rest of his answer.</p> <p>9 Q. Yeah. He goes on, the next page</p> <p>10 is:</p> <p>11 But the real important thing to</p> <p>12 note about the take rate is that while it's</p> <p>13 been really steady, I said this I think on</p> <p>14 the -- in the prepared remarks, we've made</p> <p>15 massive improvements for our platform, right?</p> <p>16 We're shipping new products, we're adding new</p> <p>17 features, we're innovating for customers and</p> <p>18 we're effectively passing that surplus to</p> <p>19 them so they can create value and then grow</p> <p>20 spend with us and then spin our flywheel.</p> <p>21 And I don't think there's any reason why that</p> <p>22 historical range changes for the near future.</p> <p>23 You see that?</p> <p>24 A. I see those words, yes.</p> <p>25 Q. Okay. And you stand by those</p>

<p style="text-align: right;">Page 150</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 So, for my questions, unless I say</p> <p>3 otherwise, I'm only asking you to answer</p> <p>4 based on your personal knowledge only.</p> <p>5 Does that make sense?</p> <p>6 A. Yes.</p> <p>7 Q. If at any point you feel like you</p> <p>8 have information that is within the knowledge</p> <p>9 of The Trade Desk, but not within your own</p> <p>10 personal knowledge, can you just state so,</p> <p>11 state that and then we'll deal with it from</p> <p>12 there.</p> <p>13 Does that make sense?</p> <p>14 A. Yes.</p> <p>15 Q. Okay. Let me ask you really</p> <p>16 briefly just about your background.</p> <p>17 Where were you born and raised?</p> <p>18 A. I was born and raised -- I was born</p> <p>19 in a New York Hospital, but raised in a New</p> <p>20 Jersey suburb called Westfield, New Jersey.</p> <p>21 Q. Did you attend college?</p> <p>22 A. Yes.</p> <p>23 Q. Where did you go to college?</p> <p>24 A. Connecticut College.</p> <p>25 Q. What did you major in?</p>	<p style="text-align: right;">Page 152</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 the people that help the sales team in market</p> <p>3 tell their stories, that group is also with</p> <p>4 me.</p> <p>5 Q. And can you just very briefly</p> <p>6 describe the other positions that you've held</p> <p>7 at The Trade Desk in your role and</p> <p>8 responsibilities for those positions?</p> <p>9 A. Okay. I came on, you know, 17</p> <p>10 employees at The Trade Desk, not yet</p> <p>11 profitable, you know, really just starting</p> <p>12 the sales organization as the first person</p> <p>13 fully dedicated to selling and getting new</p> <p>14 clients. We built up our relationships</p> <p>15 across the industry and I started managing a</p> <p>16 pod of sellers in our east coast business and</p> <p>17 then I managed our east coast sales</p> <p>18 organization. I moved on to manage our North</p> <p>19 American sales organization. And after that,</p> <p>20 moved over to launch this large client</p> <p>21 organization, which is really the team that</p> <p>22 I've built now, who, you know, I oversee in</p> <p>23 my current responsibilities as chief client</p> <p>24 officer.</p> <p>25 Q. I think you worked at WebMD from</p>
<p style="text-align: right;">Page 151</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. Music.</p> <p>3 Q. Do you serve on any professional</p> <p>4 boards?</p> <p>5 A. I serve on, you know, industry</p> <p>6 board of Advertiser Perceptions and I've</p> <p>7 participated in some mobile marketing</p> <p>8 association boards in the past, really more</p> <p>9 industry body than corporate boards.</p> <p>10 Q. And when you say industry body</p> <p>11 boards, what -- what industry are you</p> <p>12 referring to?</p> <p>13 A. Advertising industry.</p> <p>14 Q. When did you join The Trade Desk?</p> <p>15 A. February of 2012.</p> <p>16 Q. And what is your position today?</p> <p>17 A. Chief client officer and EVP.</p> <p>18 Q. And so briefly, what are your</p> <p>19 responsibilities as chief client officer of</p> <p>20 The Trade Desk?</p> <p>21 A. I oversee really our large client</p> <p>22 organization, so our relationships across</p> <p>23 agency holding companies, our large</p> <p>24 advertiser relationships. I also oversee our</p> <p>25 global sales enablement, go to market like</p>	<p style="text-align: right;">Page 153</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 2008 to 2011; is that right?</p> <p>3 A. That sounds right.</p> <p>4 Q. And just briefly, what were your</p> <p>5 responsibilities in that position?</p> <p>6 A. At WebMD, I started as a sales</p> <p>7 planner really like an assistant to</p> <p>8 salespeople. I moved on to manage sales</p> <p>9 planners and then transitioned into sales was</p> <p>10 the last role I had at WebMD.</p> <p>11 Q. And you worked at the Wall Street</p> <p>12 Journal from 2007 to 2008; is that right?</p> <p>13 A. Yes.</p> <p>14 Q. And what were your responsibilities</p> <p>15 there?</p> <p>16 A. More of the sales planner</p> <p>17 responsibilities, I was the assistant to the</p> <p>18 sales planner.</p> <p>19 Q. Let me ask you a little bit about</p> <p>20 Google's position in display ad tech, is that</p> <p>21 all right?</p> <p>22 A. Okay.</p> <p>23 Q. Which company has the largest</p> <p>24 publisher ad server?</p> <p>25 A. Google's DFP is far and away the</p>

<p style="text-align: right;">Page 154</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 dominant publisher ad server.</p> <p>3 Q. Why do you say that "Google's DFP</p> <p>4 is far and away the dominant publisher ad</p> <p>5 server"?</p> <p>6 A. I'd love to talk about why I say</p> <p>7 that and why that happened if it gives some</p> <p>8 context. The context would be, you know, the</p> <p>9 early days of the internet, obviously the</p> <p>10 front door was the browser. When Google</p> <p>11 search came about, they successfully moved</p> <p>12 the front door of the internet from the</p> <p>13 browser to the search engine. And we all now</p> <p>14 often for years have started with Search and</p> <p>15 Google Search has been incredibly successful.</p> <p>16 And the monetization of Google Search is</p> <p>17 advertising, so Google was able to amass</p> <p>18 millions of advertisers on a search basis</p> <p>19 with a dominant search platform.</p> <p>20 And what they did next was</p> <p>21 basically turn the presence they had in</p> <p>22 search into a Display Ad Network, which is</p> <p>23 what Google AdWords is. And what that looked</p> <p>24 like was going to publishers and saying, if</p> <p>25 you implement my ad serving technology, you</p>	<p style="text-align: right;">Page 156</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 internet, that is where the main decision is</p> <p>3 made, which is essentially the publisher's</p> <p>4 saying, okay, you can have the ad and this</p> <p>5 will be the price that we agree to. That</p> <p>6 really happens, you know, within the</p> <p>7 publisher ad server.</p> <p>8 Q. And I think you also mentioned</p> <p>9 something called an ad network.</p> <p>10 In the context of Display</p> <p>11 advertising, can you describe what an ad</p> <p>12 network is briefly?</p> <p>13 A. So, ad networks evolved after</p> <p>14 publishers -- excuse me, sorry.</p> <p>15 Ad networks evolved after, you</p> <p>16 know, direct publisher buying is you're</p> <p>17 buying from one individual publisher. An ad</p> <p>18 network just means there's a group of</p> <p>19 publishers, there's more supply and liquidity</p> <p>20 you buy from. Often an ad network means</p> <p>21 there will be some level of non-transparency</p> <p>22 if you're a buyer and, you know, what you get</p> <p>23 if you're a buyer with an ad network is more</p> <p>24 supply, bigger supply. And if you're the</p> <p>25 sellers who participate, what you get is more</p>
<p style="text-align: right;">Page 155</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 can get all of the dollars and all of the</p> <p>3 demand from the millions of search</p> <p>4 advertisers we have too. So, if you -- if,</p> <p>5 and only if, you implement our ad server and</p> <p>6 the publisher ad server, you can get all the</p> <p>7 money from all the search advertisers we</p> <p>8 have. And so, in so doing, and then, you</p> <p>9 know, with the acquisition of DoubleClick,</p> <p>10 which is dominant, I think, major majority</p> <p>11 share publisher ad server, you know, they</p> <p>12 created real dominance in publisher ad</p> <p>13 serving. And so -- yeah, let me leave it</p> <p>14 there.</p> <p>15 Q. Let me ask you first: Can you just</p> <p>16 briefly describe what a publisher ad server</p> <p>17 is?</p> <p>18 A. A publisher ad server is the tool</p> <p>19 that an online publisher, and whether that's,</p> <p>20 you know, New York Times or Netflix will use</p> <p>21 to determine who buys their ads, who has</p> <p>22 access, what those will be priced at and in</p> <p>23 what sort of order or rank of priority. So,</p> <p>24 really the publisher ad server is where, you</p> <p>25 know, you think of how ads appear on the</p>	<p style="text-align: right;">Page 157</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 of an opportunity to optimize yield which</p> <p>3 really means, like, use all of the different</p> <p>4 supply you have access to to drive up costs</p> <p>5 and to sell through as much of your inventory</p> <p>6 as possible.</p> <p>7 So, an ad network was the first</p> <p>8 extension from direct publisher buying into</p> <p>9 like a larger marketplace.</p> <p>10 Q. In the context of Display, who has</p> <p>11 the largest ad network?</p> <p>12 A. Google AdWords.</p> <p>13 Q. And when I asked you why DFP is the</p> <p>14 dominant publisher ad server, you mentioned</p> <p>15 Google AdWords, what's the connection there?</p> <p>16 MS. RHEE: Objection to form.</p> <p>17 A. So, it's very linear and so I</p> <p>18 apologize if I repeat myself from -- but it</p> <p>19 is the same exact story. Google Search</p> <p>20 became the front door to the internet.</p> <p>21 Google transitioned Search from monetizing</p> <p>22 search results, right, as in selling search</p> <p>23 placements on google.com, right, that's --</p> <p>24 that was the initial monetization of Google</p> <p>25 Search property into selling ads for other</p>

<p style="text-align: right;">Page 158</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 publishers as well as google.com.</p> <p>3 The path to selling ads for other</p> <p>4 publishers that weren't google.com was going</p> <p>5 to those publishers and saying, if you want</p> <p>6 my millions of search advertisers, you have</p> <p>7 to implement my publisher ad server. At the</p> <p>8 time that, you know, ad network was the only</p> <p>9 bigger thing than direct publisher sales.</p> <p>10 So, what they were doing was building an ad</p> <p>11 network.</p> <p>12 So, basically AdWords was --</p> <p>13 started as a direct evolution of Google</p> <p>14 Search business to take all of the</p> <p>15 advertisers who were buying and leveraged</p> <p>16 them with publisher, say, if you want this</p> <p>17 demand that we already have, implement this</p> <p>18 ad server. And then back to advertisers,</p> <p>19 look at the ad network we have in addition to</p> <p>20 the search business, so we can spend more of</p> <p>21 your money and monetize more of, you know,</p> <p>22 the internet via not just google.com, but</p> <p>23 this ad network which is lots and lots of</p> <p>24 other properties that have implemented our ad</p> <p>25 server.</p>	<p style="text-align: right;">Page 160</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 characterized by, you know, first the</p> <p>3 DoubleClick acquisition and then the</p> <p>4 acquisition of Admeld is basically how AdX</p> <p>5 became the dominant exchange or in SSP. But</p> <p>6 it also, really importantly, is how they</p> <p>7 protect their position as the dominant</p> <p>8 publisher ad server.</p> <p>9 Q. All right. So, one of the things</p> <p>10 that you said, I think was that AdX is how</p> <p>11 Google protects its dominant position as a</p> <p>12 publisher ad server.</p> <p>13 What did you mean by that?</p> <p>14 MS. RHEE: Objection to form.</p> <p>15 MR. CHIU: Same objection.</p> <p>16 A. So, again, publisher ad server is</p> <p>17 where the buck stops. The most important</p> <p>18 decision, the be all end all for whether an</p> <p>19 ad gets shown on a publisher is within the ad</p> <p>20 server. When -- when Google initially came</p> <p>21 to the publishers with all of the search</p> <p>22 demand to say, look at all of these</p> <p>23 advertisers, look at all of this money, if</p> <p>24 you want this ad revenue, you need to</p> <p>25 implement our publisher ad server. That was</p>
<p style="text-align: right;">Page 159</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. Which company has the largest ad</p> <p>3 exchange for Display?</p> <p>4 A. Google AdX.</p> <p>5 Q. How would you characterize Google</p> <p>6 AdX's position in the Display ad exchange</p> <p>7 business?</p> <p>8 A. Google AdX is the largest ad</p> <p>9 exchange. And once again, I mean, it really</p> <p>10 is an evolution of what I talked about with</p> <p>11 the publisher ad server being, like, the key</p> <p>12 to how we as an industry decide who gets what</p> <p>13 ad and what cost. The most important part is</p> <p>14 the publisher ad server. And so, after, you</p> <p>15 know, Google had expanded into AdWords and</p> <p>16 GDN really, you know, can be used</p> <p>17 synonymously with AdWords, there became a</p> <p>18 more competitive field for what's called</p> <p>19 programmatic advertising or auction based</p> <p>20 advertising or real-time bidding. And if</p> <p>21 Google needed to continue to maintain the</p> <p>22 dominant presence in publisher ad serving,</p> <p>23 because again that's really where the buck</p> <p>24 stops, they needed to build a dominant ad</p> <p>25 exchange. And so, the evolution which is</p>	<p style="text-align: right;">Page 161</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 how they achieved dominance followed by the</p> <p>3 acquisition of Admeld. You know, initially</p> <p>4 much of their presence was in the long tail</p> <p>5 of publishers, Admeld gave them the head or</p> <p>6 the big publishers. Admeld was -- Admeld was</p> <p>7 the dominant SSP for big publishers.</p> <p>8 So, when they completed that, what</p> <p>9 was happening was there was starting to be a</p> <p>10 more competitive marketplace where other</p> <p>11 companies like Microsoft at the time and, you</p> <p>12 know, the acquisition of aQuantive, that era</p> <p>13 was when pro- -- the concepts of programmatic</p> <p>14 marketing and real-time bidding were coming</p> <p>15 in to play, and so if Google was going to</p> <p>16 compete, they couldn't just keep an ad</p> <p>17 network because somebody else had a better</p> <p>18 idea. And so, in order to retain their</p> <p>19 position as the dominant publisher ad server,</p> <p>20 they had to create the dominant ad exchange</p> <p>21 also.</p> <p>22 And it was the same pitch, the same</p> <p>23 pitch as when they went to publishers to say,</p> <p>24 if you want my search demand, implement my ad</p> <p>25 server, it's if you want my dominant AdX</p>

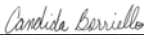
<p style="text-align: right;">Page 162</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 demand, you must implement my ad server.</p> <p>3 It's the same theory. And it continues to</p> <p>4 rely on dominance starting with Search, into</p> <p>5 publisher ad serving, into ad network, into</p> <p>6 SSP and exchange.</p> <p>7 Q. Why do you describe AdX, Google's</p> <p>8 AdX as dominant?</p> <p>9 MS. RHEE: Objection to form.</p> <p>10 A. I would describe Google's AdX as</p> <p>11 dominant because it is the largest pool of</p> <p>12 inventory that we look at programmatically,</p> <p>13 so any DSP has to buy AdX in order to be</p> <p>14 competitive. Any advertiser who's buying</p> <p>15 programmatically has to buy AdX in order to</p> <p>16 be competitive. And any publisher who wants</p> <p>17 to monetize and be competitive with other</p> <p>18 publishers monetizing must implement AdX.</p> <p>19 And I -- there is not one DSP or</p> <p>20 advertiser that I can think of that doesn't</p> <p>21 buy AdX and there is not one publisher that I</p> <p>22 can think of that doesn't monetize with AdX.</p> <p>23 Q. And why is that?</p> <p>24 A. They would -- it would render</p> <p>25 uncompetitive, they would be unable to keep</p>	<p style="text-align: right;">Page 164</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 A. Okay. From what I understand, you</p> <p>3 know, essentially it is a sort of a take it</p> <p>4 or leave it relationship where the sort of</p> <p>5 underlying theme is, you know, like, where</p> <p>6 else are you gonna go? So, our way or the</p> <p>7 highway. So, I mean, suffice to say, we have</p> <p>8 very little leverage when negotiating with</p> <p>9 AdX and when we go and try to implement, you</p> <p>10 know, I mentioned we are buy-side platform,</p> <p>11 so we are going to the supply-side to try to</p> <p>12 get them to sign up for terms that will make</p> <p>13 inventory cleaner that will make pricing</p> <p>14 better for advertisers, that will make, you</p> <p>15 know, premium content as effective as user</p> <p>16 generated content or at least measurable.</p> <p>17 And so, those are the conversations</p> <p>18 that we are bringing to the SSPs and we have</p> <p>19 initiatives like the gold standard, which are</p> <p>20 SSPs who are willing to, you know, do the</p> <p>21 these things to assure quality, to assure</p> <p>22 fair pricing, fair auction dynamics and</p> <p>23 enough transparency. And as you might</p> <p>24 imagine, I mean, we had the worst</p> <p>25 conversations from what I understood and</p>
<p style="text-align: right;">Page 163</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 up. It is such a large -- it is such a large</p> <p>3 surplus of supply and it is enriched with</p> <p>4 access to that enormous publisher</p> <p>5 marketplace. So, you know, if you're a</p> <p>6 publisher trying to monetize and, again, get</p> <p>7 the highest cost for inventory and sell the</p> <p>8 most of it, you have to have access to the</p> <p>9 biggest amount of demand and that is only</p> <p>10 available if you implement AdX.</p> <p>11 Q. How do The Trade Desk's negotiation</p> <p>12 with Google AdX compare to The Trade Desk's</p> <p>13 negotiation with other exchanges?</p> <p>14 MR. CHIU: Objection to form.</p> <p>15 MS. RHEE: Objection to form.</p> <p>16 A. Well, I sit on -- I sit on the</p> <p>17 buy-side. Excuse me. I'm -- I interact with</p> <p>18 our advertisers, the whole company is the</p> <p>19 buy-side. So, I -- in order to answer this</p> <p>20 question, I need to lean on some of the</p> <p>21 knowledge that I have from talking to people</p> <p>22 on our executive team who oversee our</p> <p>23 inventory partnerships and our partnerships</p> <p>24 team. Is that okay?</p> <p>25 Q. Sure, go ahead.</p>	<p style="text-align: right;">Page 165</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 continue to be with AdX because of their</p> <p>3 dominant position and their ability to say,</p> <p>4 where else you gonna go?</p> <p>5 Q. So, how does that compare with the</p> <p>6 The Trade Desk's negotiations with other</p> <p>7 exchanges?</p> <p>8 A. Our negotiations with other</p> <p>9 exchange are much more reasonable. They</p> <p>10 are -- I think there's a fairer balance of</p> <p>11 power and, you know, we've had a lot of</p> <p>12 adoption of our inventory partnership</p> <p>13 criteria like the gold standard or like our</p> <p>14 invalid traffic requirements, or the signals</p> <p>15 that we require from the sell-side to try to</p> <p>16 create a more fair auction where buyers have</p> <p>17 more data symmetry with sellers.</p> <p>18 You know, we've been able to make a</p> <p>19 lot of progress with the other exchanges, but</p> <p>20 again they're all smaller than AdX.</p> <p>21 Q. So, for the next -- for the rest of</p> <p>22 my questions, let's again go back to basing</p> <p>23 your answers based on your personal</p> <p>24 knowledge, but if you think that you are</p> <p>25 aware of something based on your preparation</p>

<p>Page 202</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 and the ad exchange market and, you know,</p> <p>3 until there's a fairer auction, then we</p> <p>4 haven't found the right way to try to</p> <p>5 compete.</p> <p>6 Q. I think we discussed earlier it's</p> <p>7 fair to say that The Trade Desk has in</p> <p>8 general grown significantly over the past,</p> <p>9 call it, five years?</p> <p>10 A. I think that would depend on your</p> <p>11 definition of significant.</p> <p>12 Q. I'm gonna try to maybe simplify a</p> <p>13 little bit.</p> <p>14 The Trade Desk has grown in the</p> <p>15 past five years its DSP; is that correct?</p> <p>16 A. We are a DSP and, yes, we have --</p> <p>17 we have grown in the past five years and, you</p> <p>18 know, that's been largely from leaning into</p> <p>19 places like Connected Television.</p> <p>20 Q. So, yeah, that's what I was gonna</p> <p>21 ask you.</p> <p>22 How much of The Trade Desk's growth</p> <p>23 over the past, say, five years has come from</p> <p>24 Display versus other types of ads?</p> <p>25 A. Unfortunately, we have really</p>	<p>Page 204</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 the same company. So, if those are the key</p> <p>3 participants in an auction and no one outside</p> <p>4 of Google has transparency into what's</p> <p>5 happening, I don't know how you could imagine</p> <p>6 that that would be a fair auction.</p> <p>7 Q. Other than what we've already</p> <p>8 talked about, what other examples are you</p> <p>9 aware of of Google doing things that you view</p> <p>10 as not being a fair auction?</p> <p>11 A. I would say any forms of bid</p> <p>12 manipulation where, again, we just don't have</p> <p>13 transparency into. If you don't work at</p> <p>14 Google, you don't know whether -- how this is</p> <p>15 happening, when it's happening, if it's</p> <p>16 happening, but it's widely reported on and</p> <p>17 the speculation among publishers, advertisers</p> <p>18 and agencies that manipulating bids for -- or</p> <p>19 win rates is happening constantly. And not</p> <p>20 surprisingly manipulating bids is at the</p> <p>21 heart of every -- every, you know, potential</p> <p>22 uncovered practice, whether that's Project</p> <p>23 Poirot, Project Bernake, Project Bell,</p> <p>24 dynamical allocation, dynamic revenue</p> <p>25 sharing, unified auction. What all of those</p>
<p>Page 203</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 struggled to grow Display advertising. And</p> <p>3 so, our largest and fastest growing channel</p> <p>4 is Connected Television. When you look at</p> <p>5 the growth trends across channels, that's</p> <p>6 where the growth is really coming from and</p> <p>7 we've really had a hard time in growing</p> <p>8 Display.</p> <p>9 Q. A second ago you mentioned a fair</p> <p>10 auction, do you remember that?</p> <p>11 A. Yes.</p> <p>12 Q. Does Google run a fair auction?</p> <p>13 MS. RHEE: Objection to form.</p> <p>14 A. No.</p> <p>15 Q. Why do you say that?</p> <p>16 A. You know, usually in a fair</p> <p>17 auction, you would have some level of</p> <p>18 transparency into what's happening and maybe</p> <p>19 you'd have -- maybe every participant in the</p> <p>20 auction wouldn't be owned by the same</p> <p>21 company. In the auctions that are held in</p> <p>22 AdX, remember we're talking about the</p> <p>23 publisher ad server, the ad exchange, the</p> <p>24 demand-side platform and the advertiser ad</p> <p>25 server most of the time all being owned by</p>	<p>Page 205</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 things have in common is they are exerting a</p> <p>3 level of unilateral control over the auction.</p> <p>4 Many of those things represent falsely</p> <p>5 altering advertiser bids without the</p> <p>6 advertiser's awareness as in increasing or</p> <p>7 decreasing advertiser bids without the</p> <p>8 advertiser ever knowing that that's</p> <p>9 happening. Many of those things represent</p> <p>10 fixing or changing aspects of the auction to</p> <p>11 give Google bidding preferential treatment.</p> <p>12 So -- what all of those things have</p> <p>13 in common is, you know, their attempts at an</p> <p>14 unfair auction and they're successful.</p> <p>15 Q. What is your understanding -- what</p> <p>16 gives Google the ability to set the rules of</p> <p>17 an auction for Display?</p> <p>18 MS. RHEE: Objection. Lacks</p> <p>19 foundation.</p> <p>20 MR. CHIU: Same objection.</p> <p>21 A. The reason that Google is able to</p> <p>22 set the rules for all of the auctions is</p> <p>23 complete dominance in the publisher ad server</p> <p>24 marketplace, which again, that came from</p> <p>25 dominance in Search, where Google's</p>

<p>Page 206</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 successfully becoming the front door to the</p> <p>3 internet and incredibly successful</p> <p>4 monetization of their Search platform went</p> <p>5 directly into, walking into every publisher</p> <p>6 and saying, hey, if you want my millions of</p> <p>7 Search advertisers and all of the money that</p> <p>8 they represent, implement my publisher ad</p> <p>9 server.</p> <p>10 And that is really, you know, what</p> <p>11 they have protected successfully for years</p> <p>12 since that happened and moving into creating</p> <p>13 the most successful and largest ad exchange</p> <p>14 is really another means of protecting their</p> <p>15 dominance in publisher ad serving. Because</p> <p>16 again, you know, the idea in exchange in RTB</p> <p>17 grew and Google then created and acquired</p> <p>18 their way into the dominant ad exchange.</p> <p>19 So, it is because the ad exchange</p> <p>20 hosts the auction where Google has dominance</p> <p>21 and the publisher uses the bids that come out</p> <p>22 of an auction to decide which ads go where at</p> <p>23 what cost, that's why Google has the ability</p> <p>24 to run the auction.</p> <p>25 Q. So, is Google's position in the</p>	<p>Page 208</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 you just gave on?</p> <p>3 A. I base that answer on my knowledge</p> <p>4 of how publisher ad servers interact with ad</p> <p>5 exchanges and DSPs and, you know, 11 years of</p> <p>6 representing buyers who have spoken about the</p> <p>7 consequences of what that means for</p> <p>8 advertisers.</p> <p>9 Q. How did your 11 years of working</p> <p>10 with advertisers inform the answer that you</p> <p>11 gave?</p> <p>12 MS. RHEE: Objection to form.</p> <p>13 A. As I talked to the world's largest</p> <p>14 and most sophisticated advertisers, the</p> <p>15 world's largest and most sophisticated</p> <p>16 agencies, the reason that the largest and</p> <p>17 most sophisticated have chosen to work with</p> <p>18 us is because they trust that we won't bias,</p> <p>19 or self-preference, and they have seen huge</p> <p>20 issues with the conflicts of interest within</p> <p>21 Google. And so, to the extent possible,</p> <p>22 they've often wanted to multi-home or use</p> <p>23 multiple platforms as in The Trade Desk and</p> <p>24 Google. And, you know, they frequently talk</p> <p>25 to us about what they're seeing in Google</p>
<p>Page 207</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 publisher ad server business for Display good</p> <p>3 for advertisers, bad for advertisers or how</p> <p>4 do you see it?</p> <p>5 MS. RHEE: Objection. Lacks</p> <p>6 foundation.</p> <p>7 A. So, having one party dominate all</p> <p>8 of publisher ad serving is really terrible</p> <p>9 for advertisers. And the reason is it limits</p> <p>10 their ability to get competitive yield</p> <p>11 optimization from the publishers, it limits</p> <p>12 their ability to have a fair chance at buying</p> <p>13 the most cost effective or efficient, it</p> <p>14 eliminates the possibility for a more cost</p> <p>15 efficient supply chain because of course</p> <p>16 there are no par- -- there are no</p> <p>17 competitors, meaningful competitors, in</p> <p>18 publisher ad serving. So, whatever fees they</p> <p>19 choose to charge for that, which make their</p> <p>20 way into cost of media for an advertiser,</p> <p>21 blank check.</p> <p>22 So, there are numerous ways that</p> <p>23 Google's control over the publisher ad</p> <p>24 serving market harms advertisers.</p> <p>25 Q. What did you base the answer that</p>	<p>Page 209</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 activity and what they wish they could get</p> <p>3 away from, but sometimes can't.</p> <p>4 Q. Let me switch topics and ask you</p> <p>5 about header bidding.</p> <p>6 Is that okay?</p> <p>7 A. Yep.</p> <p>8 Q. Overall was header bidding good or</p> <p>9 bad for advertisers?</p> <p>10 MS. RHEE: Objection.</p> <p>11 A. Overall the impact of header</p> <p>12 bidding is very good for advertisers.</p> <p>13 Q. Why is that?</p> <p>14 A. Prior to header bidding, Google's</p> <p>15 dominance in publisher ad serving meant every</p> <p>16 advertiser was subject to the decisions of</p> <p>17 Google's ad server about what ads they got</p> <p>18 access to and at what cost. What header</p> <p>19 bidding represented was alternatives to</p> <p>20 Google, as in competing ad exchanges, having</p> <p>21 the opportunity to skip the line, get ahead</p> <p>22 of Google's visibility for the first time and</p> <p>23 host a fairer auction that certainly can</p> <p>24 include Google, but puts all visibility on a</p> <p>25 level playing field. So, what header really</p>

<p style="text-align: right;">Page 214</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 AdX before?</p> <p>3 A. Well, this is the linear story --</p> <p>4 MS. RHEE: Objection to form.</p> <p>5 A. This is the --</p> <p>6 MS. RHEE: Lacks foundation.</p> <p>7 A. So, this is the linear example of</p> <p>8 Google dominance in Search which they</p> <p>9 monetize successfully on their Search owned</p> <p>10 and operated, turned that into an ad network</p> <p>11 by going to publishers and offering them a</p> <p>12 publisher ad server that would give them</p> <p>13 access to all of their Search advertisers and</p> <p>14 all of that money, which every publisher, you</p> <p>15 know, is very attractive to them. And so,</p> <p>16 that led to GDN and AdWords, the ad network.</p> <p>17 And then what that gave them was a dominant</p> <p>18 share in publisher ad serving as well as</p> <p>19 dominance in Search. What grew organically</p> <p>20 in the industry was a movement toward more</p> <p>21 auction based buying, more real-time bidding,</p> <p>22 and Google saw that happening. And so, in</p> <p>23 sort of mid 2000s there was sort of the race,</p> <p>24 the arm's race to create the dominant ad</p> <p>25 exchange. When ad networks, you know, you</p>	<p style="text-align: right;">Page 216</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 server and the movement of real-time bid and</p> <p>3 auction based buying had really begun and,</p> <p>4 you know, Google in part because of the way</p> <p>5 that the search business naturally led them</p> <p>6 to work with a lot of the smaller publishers</p> <p>7 that linked directly from google.com and that</p> <p>8 long tail of smaller publishers were a lot of</p> <p>9 the initial implementations of DoubleClick</p> <p>10 and DFP. Google had a lot of share among the</p> <p>11 smaller publishers, but an independent ad</p> <p>12 exchange who specialized in strong yield</p> <p>13 optimization unsurprisingly was the favor of</p> <p>14 the larger publishers. So, Google had a</p> <p>15 pretty good sense of the tail, Admeld had the</p> <p>16 head in terms of the publisher ad exchange</p> <p>17 implementations. And so, by acquiring Admeld</p> <p>18 they sort of completed their market share</p> <p>19 dominance and position in the ad exchange</p> <p>20 market by filling out the big publisher side.</p> <p>21 So, prior they didn't have the big publishers</p> <p>22 when they acquired Admeld and shut that down</p> <p>23 and built it all into DoubleClick, they then</p> <p>24 bought their way into full market share in</p> <p>25 the ad exchange business.</p>
<p style="text-align: right;">Page 215</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 name it, the old ad networks like BlueLithium</p> <p>3 or these companies that just aren't around</p> <p>4 anymore, what sort of ate the ad networks was</p> <p>5 programmatic and auction based buying and so,</p> <p>6 that became the next natural evolution. And</p> <p>7 as that happened, Google needed to operate</p> <p>8 the dominant ad exchange if they wanted to</p> <p>9 retain the dominant publisher ad server.</p> <p>10 And so, that was why Google's</p> <p>11 worked very hard to build their dominance in</p> <p>12 publisher ad serving into an ad exchange and</p> <p>13 then acquired their way into more market</p> <p>14 share through the acquisition of Admeld.</p> <p>15 Q. You mentioned Admeld a couple</p> <p>16 times.</p> <p>17 What effect, if any, did the</p> <p>18 acquisition of Admeld have on Google's</p> <p>19 position in the ad exchange market today?</p> <p>20 MR. CHIU: Objection. Lacks</p> <p>21 foundation.</p> <p>22 A. So, it's important to look back at</p> <p>23 that moment in time and understand that</p> <p>24 Google had already acquired DoubleClick.</p> <p>25 DoubleClick was a dominant publisher ad</p>	<p style="text-align: right;">Page 217</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 Q. Let me go back to header bidding a</p> <p>3 little bit.</p> <p>4 I think one of the things you said</p> <p>5 was header bidding created new competition</p> <p>6 for both DFP and also for AdX.</p> <p>7 Did I get that right?</p> <p>8 A. Yes.</p> <p>9 MS. RHEE: Objection.</p> <p>10 Q. Do you still view it that way</p> <p>11 today?</p> <p>12 A. No.</p> <p>13 Q. Why?</p> <p>14 A. Google understood that header</p> <p>15 bidding posed an exceptional threat because</p> <p>16 of what I described header bidding created</p> <p>17 competition around the most important</p> <p>18 dominant positions that they have, which are</p> <p>19 the ad exchange, which protects the publisher</p> <p>20 ad server. When header bidding happened, it</p> <p>21 created an opportunity for publishers to see</p> <p>22 that they can get better yield from working</p> <p>23 outside of Google's unified stack and many</p> <p>24 publishers did and that's why publishers</p> <p>25 raced to a very difficult implementation of</p>

<p style="text-align: right;">Page 218</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 header bidding. Header bidding is not easy</p> <p>3 for a publisher to implement. They only did</p> <p>4 that at scale because they were getting</p> <p>5 better yield unsurprisingly from a more</p> <p>6 competitive market. And Google recognized</p> <p>7 that threat and what it could mean to them</p> <p>8 losing their dominant position in publisher</p> <p>9 ad serving.</p> <p>10 And so, what they did really</p> <p>11 successfully was introduce open bidding,</p> <p>12 which took all of the control that header</p> <p>13 bidding had democratized and brought it right</p> <p>14 back into Google successfully.</p> <p>15 So, unfortunately the competitive</p> <p>16 marketplace that header bidding really</p> <p>17 successfully started to create the momentum</p> <p>18 and the thought that there might be a</p> <p>19 competitive market really has gone away and</p> <p>20 that's been the result of the success of</p> <p>21 their open bidding program.</p> <p>22 Q. Going to switch topics again and</p> <p>23 ask you a little bit about OpenPath.</p> <p>24 I think my first question, to what</p> <p>25 extent does OpenPath compete with exchanges</p>	<p style="text-align: right;">Page 220</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 consider OpenPath a viable alternative to</p> <p>3 AdX, for example. And I don't think AdX</p> <p>4 views OpenPath as competitive.</p> <p>5 Q. To what extent does OpenPath</p> <p>6 compete with publisher ad servers like DFP?</p> <p>7 A. It doesn't.</p> <p>8 Q. Why do you say that?</p> <p>9 A. Because in almost every OpenPath</p> <p>10 implementation, it just plugs right into DFP.</p> <p>11 Q. Let me change topics slightly. And</p> <p>12 I'll start by just asking you kind of simply,</p> <p>13 as a DSP, who are The Trade Desk's main</p> <p>14 competitors?</p> <p>15 A. DV360, to a lesser extent now</p> <p>16 Amazon, and those are the main competitors.</p> <p>17 Q. To what extent does The Trade Desk</p> <p>18 compete with ad networks like the Google</p> <p>19 Display Network?</p> <p>20 A. So, the DSP category does not</p> <p>21 include those ad networks. However, you</p> <p>22 know, of course, there's a broader picture at</p> <p>23 play where an advertiser has however much</p> <p>24 budget and many different channels and</p> <p>25 platforms will compete for the overall ad</p>
<p style="text-align: right;">Page 219</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 like AdX?</p> <p>3 A. OpenPath is really not competitive</p> <p>4 to exchanges like AdX.</p> <p>5 Q. Why do you say that?</p> <p>6 A. OpenPath isn't competitive to</p> <p>7 exchanges because OpenPath is a buy-side tool</p> <p>8 for accessing publisher inventory more</p> <p>9 efficiently on behalf of buyers. OpenPath</p> <p>10 explicitly does not offer yield optimization</p> <p>11 capabilities and it doesn't promise, you</p> <p>12 know, to, you know, improve pricing and fill</p> <p>13 or it's not built to improve pricing and fill</p> <p>14 for publishers. It's built to create a more</p> <p>15 efficient path to buying inventory for</p> <p>16 advertisers.</p> <p>17 So, one, because it's not built to</p> <p>18 serve publisher interest and, two, because</p> <p>19 it's very small. OpenPath is 20 publishers</p> <p>20 today. OpenPath is gonna be dependent on</p> <p>21 larger publishers who again can multi-home or</p> <p>22 use multiple instances. Every OpenPath</p> <p>23 publisher plugs directly into DFP, so we are</p> <p>24 not bypassing DFP through OpenPath.</p> <p>25 And so, you know, no buyer would</p>	<p style="text-align: right;">Page 221</p> <p>1 J. Dederick - Highly Confidential</p> <p>2 budget of an advertiser.</p> <p>3 And so, to the extent that The</p> <p>4 Trade Desk wants to compete for performance</p> <p>5 display dollars, unfortunately performance</p> <p>6 display dollars are almost entirely dominated</p> <p>7 by AdWords and DV360.</p> <p>8 Q. How close of a competitor for The</p> <p>9 Trade Desk is Google Display Network a close</p> <p>10 competitor or not a close competitor?</p> <p>11 MS. RHEE: Objection to form.</p> <p>12 A. The Google Display Network a/k/a</p> <p>13 AdWords is really an ad network, it is not a</p> <p>14 DSP. It does buy via DV3670, so it has</p> <p>15 access to a DSP and it's plugged into the</p> <p>16 broader ecosystem of Google, but really</p> <p>17 AdWords and GDN has locked up the performance</p> <p>18 display network and we're not really able to</p> <p>19 compete for that, so we'd like to,</p> <p>20 absolutely.</p> <p>21 Q. When you were mentioning The Trade</p> <p>22 Desk's main competitors, why did you not</p> <p>23 include the Google Display Network?</p> <p>24 A. I think of --</p> <p>25 MS. RHEE: Objection to form and</p>

Page 322										Page 324									
J. Dederick - Highly Confidential										J. Dederick - Highly Confidential									
-----I N D E X-----										C E R T I F I C A T E									
WITNESS: JOHN DEDERICK																			
EXAMINATION BY: PAGE										STATE OF NEW YORK)									
MS. RHEE 7										: SS.:									
MR. VERNON 147										COUNTY OF RICHMOND)									
MS. RHEE 291																			
MR. VERNON 317																			
-----E X H I B I T S-----																			
TTD EXHIBITS										I, CANDIDA BORRIELLO, a Notary									
										Public for and within the State of New York,									
										do hereby certify:									
										That the witness, JOHN DEDERICK,									
										whose examination is hereinbefore set forth									
										was duly sworn and that such examination is a									
										true record of the testimony given by that									
										witness.									
										I further certify that I am not									
										related to any of the parties to this action									
										by blood or by marriage and that I am in no									
										way interested in the outcome of this matter.									
										IN WITNESS WHEREOF, I have hereunto									
										set my hand this 4th day of August, 2023.									
																			
										CANDIDA BORRIELLO									
(Exhibits continued on next page.)																			

Page 323										Page 325									
J. Dederick - Highly Confidential										J. Dederick - Highly Confidential									
(Exhibits continued.)										ERRATA SHEET FOR THE TRANSCRIPT OF:									
Exhibit 6 The Trade Desk's Document 62										Case Name: US et al. Versus GOOGLE LLC									
titled Programmatic										Dep. Date: JULY 28, 2023									
Private Marketplace										Deponent: JOHN DEDERICK									
Training, Bates										Pg. Ln. Now Reads Should Read Reason									
TTD_DOJ-GOOG23-0000472										_____									
through										_____									
TTD_DOJ-GOOG23-0000487										_____									
Exhibit 7 OpenPath Publisher Terms 74										_____									
and Conditions, Bates										_____									
TTD_DOJ-GOOG23-0001039										_____									
through										_____									
TTD_DOJ-GOOG23-0001052										_____									
Exhibit 8 May 5, 2002 Press Release 85										_____									
issued by The Trade Desk										_____									

Exhibit 9 E-mail with attachment, 120										_____									
Bates										_____									
TTD_DOJ-GOOG23-0021505										_____									
through										_____									
TTD_DOJ-GOOG23-0021616										_____									

Exhibit 10 E-mail chain with 267										_____									
attachment, Bates										_____									
TTD_DOJ-GOOG23-0009846										_____									
through										_____									
TTD_DOJ-GOOG23-0009892										_____									

Exhibit 11 The Trade Desk vs. Google 280										JOHN DEDERICK									
document, Bates																			
TTD_DOJ-GOOG23-0001954																			
through																			
TTD_DOJ-GOOG23-0001956																			
										SUBSCRIBED AND SWORN BEFORE ME,									
										This__ day of_____, 20__.									

										Notary Public									
										My Commission Expires:_____									